

Orem Businessman Converts His Hobby Into an Occupation

By PATRICK CHRISTIAN
Herald Staff Writer

22 Dec 1985

Orem businessman Douglas Hansen says his job is also his hobby and his recreation.

He's been involved in mountaineering and rescue for over a decade, but only this year went into his retail business full time.

His Hansen Mountaineering Inc. retail store at 754 N. State St. in Orem is the only store so specialized in mountaineering and outdoor equipment in Utah County.

As expected, most of HMI's customers are mountaineers, cross-country skiers, hikers, or other outdoorsmen one might expect to patronize a mountaineering store.

But surprisingly, many customers use his unique equipment in their professions.

"I sell a lot of equipment to police and fire departments in several intermountain states," Hansen said.

He said these agencies use HMI equipment to practice and conduct mountain or high-rise rescues.

Some equipment sold at HMI is purchased by ski resorts for rescues from broken ski lifts.

Hansen said "One frequent customer is a professional high-rise window washer in the intermountain area who used mountaineering equipment and techniques at his exciting business."

Many of his mountaineering customers never even see the inside of his store. Instead, they place orders through the catalogs he mails to customers. He manages the catalog mailings and other aspects of his mountaineering business with a Lead-Edge computer system.



Doug Hansen converted his hobby into a fulltime business.

Hansen said an important aspect of his specialized business is knowledge of the equipment and its uses.

His customers' lives often hang on his equipment, so it must be used properly if safety is to be maintained.

He said customers frequently inquire about the various uses of a specific piece of equipment and he usually has an answer. Hansen has been the team leader of mountain climbing expeditions to the highest mountains in North America and knows the equipment he sells thoroughly.

"Customers expect me to be able to 'talk their language.'" He adds that he is also expected to keep up with the latest equipment and techniques in the sport of mountaineering.

Some of his customers are familiar with his abilities through published articles in national climbing magazines. One of his articles focused on his pioneering climbs of ice walls at Bridal Veil Falls in Provo Canyon. He said the falls located in Provo Canyon bring ice climbers from all over the world to the area.

Part of his business income comes from guiding skiing and mountaineering trips, and from the several classes he offers in cross-country skiing, mountaineering and other outdoor adventure activities.

He also is a professional lecturer who speaks about climbing Mt. McKinley and other major mountains or about other outdoor topics.

One interesting feature of his store is a rock wall that some customers climb around and use to try the placement of mountaineering equipment.

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vn for Pizza Wars Lawsuits Threaten Public Accounting

come competition. It's kind of like sports, when you win the World Series everybody's after you."

Domino's owner, Tom Monahan, who started the Domino's chain a quarter-century ago in Michigan, knows the feeling of pursuit. His other passion and property, the Detroit Tigers, won the World Series in 1984. Last summer, the Tigers wore big bullseyes on their backs and finished 15 games out of first place.

In the world of pizza deliveries, national and regional chains such as Pizza Inn and Godfather's are dabbling in the art of carrying pizza to the masses.

But Pizza Hut, by far the largest chain with nearly 5,000 restaurants and more than \$1.8 billion in sales in 1984, is the main slugger trying to knock Domino's out of first place.

Pizza Hut began testing the delivery waters two years ago. The company now delivers pizzas in less than a dozen cities, including Topeka, Kan., Norfolk, Va., Gainesville, Fla., Charleston, S.C., Allentown, Pa., and Milwaukee, as it continues its test-marketing plan. It recently entered the Atlanta market, its most crucial battleground.

If all goes well in Atlanta, Pizza Hut figures to make home deliveries nationwide by the end of 1986.

"It's doing pretty well, and the figures are encouraging," Jenkins

said from Pizza Hut headquarters in Wichita, Kan.

"Right now, we have about 80 delivery units. If the decision's made to go with delivery, by the end of next year we would have approximately 800 delivery units in the Pizza Hut system. I'd say right now it looks pretty good for it."

Pizza Hut has set up kitchens for its delivery service separate from its restaurants. It also is experimenting with a centralized telephone bank and a computerized customer listing so the company can keep track of who orders pizza, when and whether they like sausage or anchovies.

"It's not only a nice touch, but it allows us to get the delivery time down faster and faster," Jenkins said.

Domino's is experimenting with a similar computerized phone system.

Pizza Hut and Domino's officials believe there are enough pizza lovers to go around.

"This is definitely a competitive industry," Pizza Hut's Jenkins said. "When one company enters an industry the other ones tend to benefit because it makes that much more awareness."

Said Domino's Hingst, "More and more people in this country are discovering pizza, so our whole area has a long way to go. Maybe all of this will get more and more people thinking about pizza."

By HARIHAR KRISHNAN
UPI Business Writer

DALLAS (UPI) — The scenario is becoming commonplace. Stockholders of a troubled company get hurt and decide to go after the most vulnerable target for redress — the public accounting firm that audited the company.

Increasingly, public accounting firms, especially the Big Eight companies, are being sued through class action petitions for failing to expose the true financial picture of a troubled business after an audit.

William A. Grant, Southwest regional managing partner of the Big Eight firm of Arthur Young, said major accounting firms in the past five years have paid out some \$200 million in out-of-court settlements. One firm alone paid about \$137 million.

Grant said some \$2 billion worth of class action lawsuits against accounting firms are pending in the courts.

He said class action lawsuits are on the increase because of the swell of business failures, mergers and takeovers in recent years.

The accounting firms are easy targets because most of them cannot afford protracted litigation and are only too willing to reach out-of-court settlements to escape the agony of public scrutiny which can be extremely damaging to their reputation.

Grant said the accounting firms are aware that a jury trial can be devastating because of the erroneous public perception that auditors are responsible for the financial statements of companies on which the stockholders rely.

"What is not understood by the public is that the outside auditor cannot audit every single transaction that has taken place in a company," Grant said.

"When you go into a company to conduct an audit you are relying on testing, making a test study of a few items. The average investor

thinks an auditor should be able to detect every fraud. This is what we call the expectation gap, the gap between what we really do and what the public thinks we do. Companies prepare and issue financial statements, we don't," said.

Grant said it is very difficult for an outside auditor to detect fraud in a company if there is collusion among the senior employees.

He said there is very little protection against such lawsuits. "Each state has different securities laws. In some instances, when an accounting firm gives an adverse audit opinion, the company will fire that auditor and seek out another accounting firm. This is called opinion shopping."

"When a company changes auditors, it is required to send a filing to the Securities and Exchange Commission and it becomes public record. However, it is seldom anyone cares to read this. The financial statement the company sends out doesn't have to disclose this."

Grant said the accounting firms have a rigid schedule of self-regulating controls which includes performance review of one firm by another.

"We all work as general partners which means our entire personal fortune is at stake everyday. We are obligated for the acts of other partners and our personal assets are always subject to claim. We are prohibited by law from functioning as a corporation."

With the increase in class action lawsuits, the accounting firms longer are able to get liability insurance and most of them have to rely on the Lloyds of London whose premiums have skyrocketed, Grant said.

He said the accounting firms soon may be forced to seek legislative relief against liability. A Congressional committee is looking into the matter.

